

Message Text

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PAGE 01 STATE 037769

14

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TO AMEMBASSY ROME

INFO AMCONSUL GENOA

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E.O. 11652: N/A

TAGS: ELAB, EGEN, IT

SUBJECT: TORRINGTON

REF: STATE 21284; ROME 1759; ROME 1876

1. DEPTOFF MET WITH TORRINGTON PRESIDENT O'CONNELL AND
COUNSEL DENNIS MEYERS (BAKER-MCKENZIE) FEBRUARY 13 TO
REVIEW STATE OF PLAY REGARDING THE COMPANY'S GENOA PLANT
LIQUIDATION. O'CONNELL SAID HIS FIRM'S ITALIAN LEGAL
ADVISOR (CAMILLI) PHONED DONAT CATTIN JANUARY 31 TO ASK
ABOUT GEPI INTERVENTION. DONAT CATTIN CONFIRMED TORRING-
TON INCLUDED ALTHOUGH HE COULD NOT SAY HOW GEPI WOULD ACT,
I.E., BY SIMPLY HIRING ALL TORRINGTON EMPLOYEES OR BY
TRYING TO REACTIVATE THE PLANT. THE MINISTER POINTED OUT
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PAGE 02 STATE 037769

IT WOULD BE BETTER FOR THE COMPANY TO CONSIDER SELLING THE

BUSINESS, SINCE IF AN AGREEMENT WERE FOUND WITH THE PSI FOR THE FORMATION OF A NEW GOVERNMENT, SOME "LEGISLATIVE ACTION" WOULD BE TAKEN TO PERMIT THE GOVERNMENT TO EXPROPRIATE FOREIGN PROPERTY.

2. CAMILLI NOTED THIS WAS SECOND TIME DONAT CATTIN HAD MADE SUCH A THREAT. CAMILLI, HOWEVER, WAS NOT MUCH IMPRESSED BECAUSE AN EXPROPRIATION LAW WOULD HAVE LITTLE PROSPECT OF APPROVAL IN PARLIAMENT. FURTHERMORE, SINCE ALL

OTHER MULTINATIONALS INVOLVED ARE WILLING TO SELL TO GEPI OR ANYONE ELSE, THE LAW WOULD IN EFFECT APPLY ONLY TO TORRINGTON. CAMILLI NEVERTHELESS COUNSELED THAT TORRINGTON CANNOT IGNORE THE POSSIBILITY THAT DONAT CATTIN'S THREAT COULD BECOME REAL.

3. ASIDE FROM ABOVE DISCUSSION WITH DONAT CATTIN, TORRINGTON'S UNDERSTANDING OF SCOPE AND INTENT OF GEPI PLAN PARALLEL EMBASSY REPORTING.

4. ON SPECIFIC QUESTION OF ALLEGED TORRINGTON DEAL TO SELL OUT TO A US BUYER (ROME 1759), O'CONNELL SAID RUMOR IS TOTALLY FALSE. A US CITIZEN IN LONG ISLAND CITY, NY -- REPRESENTING AN UNNAMED "BUYER" IN GENOA -- QUERIED TORRINGTON SEVERAL TIMES AS TO WHAT ITS "PRICE" WOULD BE TO SELL OUT PLANT AND EQUIPMENT. SUPPOSED BUYER AT ONE POINT OFFERED \$4 MILLION. TORRINGTON REPLIED THAT COMPANY IS NOT INTERESTED IN SELLING EQUIPMENT AND IS IN NO POSITION TO DISCUSS SALE OF LAND AND BUILDINGS UNTIL WAY CLEARED FOR LIQUIDATION. O'CONNELL SURMISES THAT INQUIRIES ARE DELIBERATE FABRICATIONS, PERHAPS WITH GOI CONNIVANCE, TO CAST DOUBT ON TORRINGTON INTENTION AND RESOLVE.

5. DEPT FINDS REPORT OF ALLEGED THREATS BY DONAT CATTIN TO EXPROPRIATE TORRINGTON DISTURBING. IN FOLLOW-UP DISCUSSION WITH LAURITI, IN ADDITION TO CONVEYING TORRINGTON'S DENIAL OF RUMORED SELL-OUT TO AMERICAN OR ANY OTHER BUYER, EMBASSY SHOULD POINT OUT THAT USG VIEWS RUMORS OF EXPROPRIATION WITH SERIOUS CONCERN. EMBASSY LIMITED OFFICIAL USE

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PAGE 03 STATE 037769

SHOULD LEAVE NO DOUBTS THAT IF REQUISITION IS UPHELD, OR IF GOI OTHERWISE ACTS TO EXPROPRIATE TORRINGTON PROPERTY, INCLUDING TECHNOLOGICAL KNOW-HOW, USG WILL INSIST UPON GOI FULFILLING ITS OBLIGATIONS UNDER THE FCN, ESPECIALLY THOSE REQUIRING PROMPT AND JUST COMPENSATION. INGERSOLL

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